

**EXECUTIVE SECRETARIAT**  
**Routing Slip**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS		✓		
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/EEO				
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
17	SA/IA		✓		
18	AO/DCI				
19	C/IPD/OIS				
20					
21					
22					
SUSPENSE		Date			

Remarks:

*[Signature]*  
Executive Secretary  
8/12/83  
Date

# CABINET AFFAIRS STAFFING MEMORANDUM

15 AUG 1983

DUE BY:

Executive Registry  
83-3781/1

TE: August 3, 1983

NUMBER: \_\_\_\_\_

SUBJECT: Cabinet Council on Commerce and Trade - July 27 and 28 Minutes

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Baker	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Clark	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	Harper	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CEA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCCT/Gunn	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CEO	<input type="checkbox"/>	<input type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/Boggs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCLP/Uhlmann	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCMA/Bledsoe	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>

MARKS: Attached for your information are the July 28 and 29 Cabinet Council on Commerce and Trade Minutes.

TURN TO:

☐ Craig L. Fuller  
Assistant to the President  
for Cabinet Affairs

☒ Larry Herbolsheimer  
Associate Director  
Cabinet Affairs



MINUTES  
CABINET COUNCIL ON COMMERCE AND TRADE  
Meeting #68, July 27, 1983  
8:45 a.m., Roosevelt Room

Attendees: Messr. Baldrige, Watt, Block, Brock, Mossinghoff, Calio, McMahon, Niskanen, McCormack, Ford, Burnley, Baxter, Johnson, Ahalt, Wright, Horner, Harper, Keyworth, Baroody, Neal, Vipond, Franklin, Gall, Porter, Gunn, Garfinkel, Herbolzheimer, Cicconi, Charbeneau, Edelson and Ms. Dunlop

LANDSAT

The Council considered whether the Administration should purchase an additional LANDSAT at a cost of \$300 million to fill a data gap which will result from the imminent failure of the current LANDSAT this fall. It was noted by a number of Cabinet members that the data available from LANDSAT was often unreliable and not essential to user agencies.

As an alternative to procuring a new satellite, it was proposed that only the long-lead time parts for the additional LANDSAT be procured at a cost of \$15 million. This would ensure that if commercialization of LANDSAT was not viable, the government would retain the ability to launch an additional satellite later if appropriate.

Action Taken: The Council was divided on whether or not to recommend the \$15 million purchase of long-lead time parts. There was no support for the procurement of an additional LANDSAT at a cost of \$300 million at this time.

Intellectual Property

The CCCT Intellectual Property Working Group recommended Administration support for two bills (S. 32 and S. 33) which would, by amending the copyright Act of 1976, effectively eliminate the application of the "first-sale" doctrine to record and video rentals.

Action Taken: The Council agreed to recommend Administration support for S. 32 and S. 33, but would seek to have them apply only to new titles, and not to existing titles.

MINUTES  
CABINET COUNCIL ON COMMERCE AND TRADE  
Meeting #69, July 28, 1983  
2:00 p.m., Cabinet Room

Attendees: The President, The Vice President, Messrs. Baldrige, Shultz, Baker, McNamar, Rose, Watt, Block, Donovan, Heckler, Dole, Hodel, Stockman, Brock, Feldstein, Harper, Thayer, Darman, Fuller, Rollins, Verstandig, Gunn, Herbolsheimer, Lenahan, Holmer, Baroody, Vipond, Cicconi, McMinn, Hasse, Vila, Garfinkel, Rhodes, Keel and Ms. Risque

Steel

Secretary Baldrige reported on the condition of the U.S. steel industry and Administration actions which have been taken with respect to it. Baldrige noted that the steel industry was hard hit by the recession and is not expected to show signs of recovery until the fourth quarter of 1983. The problem of subsidized imports injuring the industry has been alleviated by the U.S.-E.C. steel trade arrangement and the imposition of import relief for speciality steel. The industry continues to be unprofitable and has reported net losses of \$0.7 billion for the first quarter of this year.

The steel industry has urged the Administration to take a number of actions to improve the industry's condition. These include imposing quotas to limit imports to 15 percent of the U.S. market, additional tax credits, safe harbor leasing incentives, and clarification by the Administration of the kinds of mergers and joint ventures permitted under the antitrust laws for the steel industry.

The President stated the quotas would be inconsistent with the Administration's free trade policy. It was the President's view, however, that the purposes for which the antitrust laws were written are no longer valid and that a review thereof would be appropriate. Edwin Harper pointed out that much of the problem was the result of poor planning and insufficient investment in new plant and equipment by the industry. Deputy Defense Secretary Thayer warned that unless measures were taken to assist the industry our national security would be threatened. Secretary Shultz voiced strong support for the use of unfair trade practice laws to address subsidization and dumping. He noted, however, that the industry has failed to take the necessary steps to improve its competitiveness. Ambassador Brock pointed out that the imposition of quotas would impair the industry's ability to become competitive.

Textiles

Deputy Assistant Secretary of Commerce Walter Lenahan reported to the Council on the current situation in the textile and apparel industries. Lenahan noted that while imports are projected to grow at a rate of 20 percent from 1983, domestic consumption has increased by only 5 percent. Lenahan pointed out that the President had made a commitment during the 1980 campaign to relate import growth to growth in domestic consumption. The surge in imports during the first six months of this year has

been of great concern to Members of Congress and to the domestic industry.

Secretary Baldrige noted that the working group was looking into ways in which the President's commitment could be implemented. According to Ambassador Brock, there were few if any policy options available to the Administration to further limit textile imports. He noted that the Administration had concluded agreements in the textile area which are fair and consistent with the President's open trade policy. Brock pointed out that 75 percent of the surge in textiles has occurred in nonsensitive categories where import penetration was less than 3 percent. In those categories where import sensitive items have been affected, quotas are already in place and will result in the restraint of these imports later in the year. Ambassador Brock pointed out that the textile industries problem is not related to subsidized or unfairly traded imports. Secretary Shultz noted that the consumer was being hurt by import restraints on textiles and suggested that greater consideration should be paid to the effects of import protection on prices. Secretary Baldrige suggested that the commitment to relate import growth to domestic consumption growth might be viewed in the context of import sensitive categories. He noted that in the import sensitive categories the President's commitment has been adhered to.